

CITY OF TIGARD, OREGON

RESOLUTION NO. 02-53

A RESOLUTION OF THE CITY OF TIGARD AUTHORIZING THE ISSUANCE AND SALE OF ITS GENERAL OBLIGATION BOND AND GENERAL OBLIGATION REFUNDING BOND TO THE OREGON ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT

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The City of Tigard finds:

WHEREAS, the City Council of the City of Tigard submitted to the legal voters of the City the question of contracting a general obligation bonded indebtedness in the sum of an amount not to exceed \$13,000,000 to finance capital construction and improvements related to a library and to pay all costs incidental thereto; and

WHEREAS, the election was duly and legally held on May 21, 2002, and the City Council has canvassed the result thereof and has declared that at least 50 percent of all qualified voters of the City voted and that issuance of bonds has been approved by a majority of the qualified voters of the City voting at the election; and

WHEREAS, the City of Tigard is a "municipality" within the meaning of Oregon Revised Statutes 285B.410(4), and

WHEREAS, Oregon Revised Statutes 285B.410 through 285B.479 (the "Act") authorize any municipality to file an application with the Oregon Economic and Community Development Department (the "Department") to obtain financial assistance from the Special Public Works Fund in the form of a loan, grant or purchase of a bond of a municipality, and

WHEREAS, the City of Tigard has filed an application with the Department to obtain financial assistance for a "community facilities project" within the meaning of the Act, and

WHEREAS, the Department has approved the City of Tigard's application for financial assistance from the Special Public Works Fund pursuant to the Act, and

WHEREAS, the Department is not able to provide long-term, permanent financial assistance prior to the date the City needs funds to begin construction of the project, as determined below, but is able to provide interim financing for the City's commencement of construction, and

WHEREAS, the City will issue its general obligation bond to the Department and enter into a credit facility to obtain interim financing and will issue a general obligation refunding bond to the Department to refund the general obligation bond when the Department is able to provide long-term financing, and

WHEREAS, the City of Tigard is required, as a prerequisite to the receipt of financial assistance from the Department, to enter into a Financial Assistance Award Contract and a Credit Facility or Bond Purchase Agreement with the Department, and

WHEREAS, the project to be funded by these Bonds includes the acquisition of 14.7 acres of land on Hall Blvd. in Tigard, the design and construction of a 47,500 library, and related site and street improvements and is a "community facilities project" within the meaning of the Act which is needed by and is in the public interest of the City of Tigard, and

WHEREAS, notice relating to the City of Tigard's consideration of the adoption of this Resolution was published at least once in a newspaper of general circulation within the City of Tigard. Such notice was published at least 14 days in advance of the adoption of this Resolution.

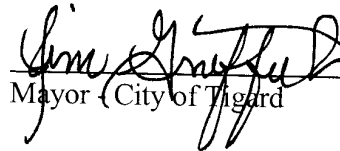
NOW, THEREFORE, BE IT RESOLVED BY THE TIGARD CITY COUNCIL THAT:

- SECTION 1: Bonds Authorized. The City Council authorizes the Director of Finance or his designee (the "Director of Finance") to execute applicable Financial Assistance Award Contracts, Credit Facility, Bond Purchase Agreement, the General Obligation Bond (the "Bond") and the General Obligation Refunding Bond (the "Refunding Bond," collectively with the Bond, the "Bonds") and such other documents as may be required for the City to issue the Bonds to the Department, on the condition that the principal amount of each of the Bonds is not in excess of \$13,000,000 and the interest rate is a percent deemed reasonable by the Director of Finance and in the best interest of the City of Tigard. The proceeds of the Bond shall be applied solely to the "Costs of the Project" as such term is defined in the Bond Purchase Agreement. The proceeds of the Refunding Bond shall be applied to refund the Bond.
- SECTION 2: Security. The Bonds are voter-approved general obligation bonds of the City of Tigard. The City of Tigard hereby pledges its full faith and credit to the payment of the Bonds. The Bonds shall be payable from ad valorem taxes which may be levied without limitation as to rate or amount on all taxable property within the boundaries of the City of Tigard. The City hereby covenants for the benefit of the Department to levy a direct ad valorem tax upon all of the taxable property within the City which is sufficient, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes, to pay all principal and interest on the Bonds when due.
- SECTION 3: Additional Documents. The Director of Finance is hereby authorized to enter into any agreements and to execute any documents or certificates which may be required to issue the Bonds to the Department to finance the Project pursuant to the related Financial Assistance Award Contract and the Bond Purchase Agreement.
- SECTION 4: Tax-Exempt Status. The City of Tigard covenants not to take any action or omit to take any action if the taking or omission would cause interest paid by the City of Tigard on the Bonds not to qualify for the exclusion from gross income provided by Section 103(a) of the Internal Revenue Code of 1986, as amended. The Director of Finance of the City of Tigard may enter into covenants on behalf of the City of Tigard to protect the tax-exempt status of the interest paid by the City of Tigard on the Bonds and may execute any Tax Certificate, Internal Revenue Service forms or other documents as shall be required by the Department or its bond counsel to protect the tax-exempt status of such interest.
- SECTION 5: Reimbursement Bonds. The City of Tigard may reimburse expenditures for the Project with amounts received from the Department pursuant to the Bonds and City of Tigard Resolution 01-25. Additionally, the City of Tigard understands that the Department may fund or

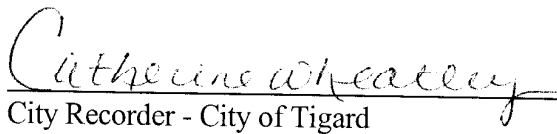
reimburse itself for the funding of amounts paid to the City of Tigard pursuant to the Bonds with the proceeds of bonds issued by the State of Oregon pursuant to the Act. This Resolution shall constitute "official intent" within the meaning of Section 1.150-2 of the Income Tax Regulations promulgated by the United States Department of the Treasury with respect to the funding or the reimbursement for the funding of the costs of the Project with the proceeds of the City of Tigard's Bonds and with the proceeds of any bonds issued by the State of Oregon pursuant to the Act.

SECTION 6: This Resolution shall be in force and effect from and after passage by the City Council.

PASSED: This 27<sup>th</sup> day of August 2002.

  
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Mayor - City of Tigard

ATTEST:

  
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City Recorder - City of Tigard